

**Notice of Joint Meeting of
Sedona Summit II Community Facility District Board of Directors
&
Fairfield Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, August 9, 2016, 3:30 p.m.**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Boards of Directors of the Sedona Summit II Community Facility District & Fairfield Community Facility District and to the general public that the Boards will hold a joint meeting on Tuesday, August 9, 2016 at 3:30 p.m. in the Vultee Conference Room, located at 106 Roadrunner Drive, Sedona, AZ 86336. During this meeting the respective governing boards of each of these community facility districts will discuss and act on business specific to each district as outlined below.

- 1. Call to order**
- 2. Roll call**
- 3. Matters before the Sedona Summit II Community Facility District Governing Board:**
 - a. Discussion/possible action** on Approval of minutes – June 28, 2016.
 - b. Public Hearing/discussion/possible action** regarding adoption of a resolution approving a budget for fiscal year 2016-2017 for the Sedona Summit II Community Facility District.
- 4. Matters before the Fairfield Community Facility District Governing Board:**
 - a. Discussion/possible action** on Approval of minutes – June 28, 2016.
 - b. Public Hearing/discussion/possible action** regarding adoption of a resolution approving a budget for fiscal year 2016-2017 for the Fairfield Community Facility District.
- 5. Adjournment**

Posted: _____
By: _____

Susan L. Irvine, District Secretary

The Vultee Conference Room is accessible to people with disabilities, in compliance with the Federal "504" and "ADA" laws. Those with needs for special typeface print may request these at the City Clerk's Office (928) 282-3113. All requests should be made twenty-four hours prior to the meeting.

The boards reserve the right to adjourn into executive session when needed, A.R.S. § 38-431.03(a)(3) for legal consultation on the above agenda.

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MEMORANDUM

To: Sedona Summit II and Fairfield Community Facility Districts' Governing Boards

From: Cherie Wright, Treasurer of Sedona Summit II and Fairfield Community Facility Districts

Re: Joint meeting of the Sedona Summit II and Fairfield Community Facility Districts' Governing Boards¹

Date: August 2, 2016

Exhibits:

Sedona Summit II Community Facility District

A. Resolution No. 2016-2 with Fiscal Year 2016-2017 Budget

Fairfield Community Facility District

A. Resolution No. 2016-2 with Fiscal Year 2016-2017 Budget

This memo is intended to provide guidance to the Governing Boards of the Sedona Summit II and Fairfield Community Facility Districts concerning the necessary procedures to adopt a final budget for the Community Facility Districts. A Community Facility District (CFD) is a special taxing district formed to pay for major infrastructure improvements intended to benefit a certain geographical area.

The City has two CFDs. The Fairfield CFD was created in 2000 and the Sedona Summit II was created in 1999. The CFDs were formed as a method to collect a special assessment from timeshare owners who do not pay bed and sales taxes on the units but use citywide facilities and infrastructure while visiting Sedona. The special assessments or taxes mitigate the impact to the City and fund City capital projects described in the "general plans" of each CFD. The "general plans", which were adopted when the CFDs were formed, describe future infrastructure improvements, including parks and streets.

At this second joint meeting, the City Council, sitting as the Governing Board of each CFD, will review and take possible action on the Final Budgets. Likewise, the City Clerk, City Manager, City Attorney, Finance Director, and City Engineer perform parallel duties

¹ Sunterra was later acquired by Diamond Resorts. Fairfield was acquired by Wyndham Resorts. The obligations of the original development agreements and amendments transferred to the new entities.

for the CFDs. As a procedural note, City Council members are Directors for the CFDs and the Mayor is Chairperson. Please use these references during the meetings.

In order to appropriate the CFD funds that have accumulated since the inception of the CFDs and the 2016-17 estimated revenues, the Boards must meet several statutory requirements. In 2014, the Boards adopted a Feasibility Report for each District. The Feasibility Report sets forth the projects which qualify for use of CFD funds, in whole or in part. To determine whether a project is appropriate, staff looked to the General Plan for future infrastructure improvements. Not only must the projects fit within the General Plans but also benefit the Districts.

After consulting with outside legal counsel, Michael Cafiso, staff concluded that infrastructure projects which are beneficial to the City as a whole and in particular visitors to the City of Sedona, might best fit within the CFDs General Plans. As such, staff and the Directors identified two citywide parks projects – the Barbara Antonsen outdoor performance venue and the Brewer Road property – to include in each CFD Feasibility Report. Much of the funding included in the 2016-17 Budgets is a carryforward or reappropriation of 2015-16 funds that did not get spent on the two park projects.

The Board must adopt the Final Budget for the 2016-17 fiscal year on or before October 1st. A notice of public hearing has been printed in the Red Rock News and notices have been sent via certified mail to the developments as required by A.R.S. § 48-716.

The matters requesting possible action before the CFD Governing Board are as follows:

As the Sedona Summit II Community Facility District Board:

1. **Agenda Item 3a**: Possible approval of minutes – June 28, 2016
2. **Agenda Item 3b**: Open the Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2016-17.
Motion: I move to approve Resolution No. 2016-2, of the Sedona Summit II Community Facility District approving the Tentative Budget for fiscal year 2016-17.

As the Fairfield Community Facility District Board:

1. **Agenda Item 4a**: Possible approval of minutes – June 28, 2016
2. **Agenda Item 4b**: Open Public Hearing regarding adoption of a resolution approving the Final Budget for fiscal year 2016-2017.
Motion: I move to approve Resolution No. 2016-2, of the Fairfield Community Facility District approving the Final Budget for fiscal year 2016-17.

Action Minutes
Sedona Summit II Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, June 28, 2016, 3:30 p.m.

1. **Call to order:** Chairperson Moriarty called the meeting to order at 3:30 p.m.
2. **Roll call:** Chairperson Sandra Moriarty, Director Scott Jablow, Director Tom Lamkin, Director John Martinez, Director Jon Thompson, Director Jessica Williamson.

Sedona City Staff present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., City Clerk Susan Irvine.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie Wright.

Questions from Board members.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from September 9, 2015.**

Motion: Director Thompson moved to approve the minutes dated September 9, 2015. Director Williamson seconded. **Vote:** Motion carried unanimously with six (6) in favor and zero (0) opposed.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2016-2017 for the Sedona Summit II Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Opened the Public Hearing at 3:34 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 3:34 p.m.

Motion: Director Thompson moved to approve Resolution No. 2016-1 of the Sedona Summit II Community Facility District approving the Tentative Budget for fiscal year 2016-17 and authorizing publication of the notice of public hearing on budget. Director Lamkin seconded. **Vote:** Motion carried unanimously with six (6) in favor and zero (0) opposed.

5. **Matters before the Fairfield Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from September 9, 2015.**

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2016-2017 for the Fairfield Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Item addressed in separate minutes for the Fairfield Community Facility District Governing Board.

6. **Adjournment: Chairperson Moriarty adjourned the meeting without objection at 3:37 p.m.**

Respectfully submitted,

Susan L. Irvine, District Secretary

RESOLUTION NO. 2016-2

SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE SEDONA SUMMIT II FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2016-2017 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on October 26, 1999, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 99-51 forming the Sedona Summit II Community Facilities District ("SSCFD"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, SSCFD is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, A.R.S., as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating SSCFD was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Sunterra Corporation, the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of SSCFD has submitted to the District Board of SSCFD a proposed budget for Fiscal Year 2016-2017 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax; and

WHEREAS, the District Board of SSCFD approved said tentative budget for Fiscal Year 2016-2017, and set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget; and

WHEREAS, after said public hearing on August 9th, the District Board of SSCFD expects to adopt a final budget by resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE SEDONA SUMMIT II COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain tentative budget prepared by the District Treasurer of SSCFD for Fiscal Year 2016-2017, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved as the final budget.

2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.

3. That a public hearing date of August 9, 2016, beginning at or after 3:30 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Vultee Conference Room, was held to consider said

final budget (SSCFD), and said notice was published in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. That if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Sedona Summit II Community Facilities District this 9th day of August, 2016.

Sandra J. Moriarty, Chairperson
Sedona Summit II Community Facilities District

ATTEST:

Susan L. Irvine, District Secretary
Sedona Summit II
Community Facilities District

Sedona Summit II Community Facilities District
 Fiscal Year 2016-2017 Budget
 Exhibit "A"

	Special Tax Revenue	Other Misc. Revenue	FY 2016-2017 Collections	Unreserved Fund Balance	2016-2017 Expenditures	Total 2016-2017 Budget
Capital Projects	\$ 36,500	\$ 500	\$ 37,000	\$ 312,177	\$ -	\$ -
Brewer Road Park					\$ 100,000	\$ 100,000
Barbara Antonsen Amphitheater					\$ 50,000	\$ 50,000
						\$ -
Totals	\$ 36,500	\$ 500	\$ 37,000	\$ 312,177	\$ 150,000	\$ 150,000

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Action Minutes
Fairfield Community Facility District Board of Directors
Vultee Conference Room, 106 Roadrunner Drive, Sedona, AZ 86336
Tuesday, June 28, 2016, 3:30 p.m.

1. **Call to order:** Chairperson Moriarty called the meeting to order at 3:30 p.m.
2. **Roll call:** Chairperson Sandra Moriarty, Director Scott Jablow, Director Tom Lamkin, Director John Martinez, Director Jon Thompson, and Director Jessica Williamson.

Sedona City Staff present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Director of Financial Services Cherie Wright, City Clerk Susan Irvine.

3. **Presentation/discussion/possible direction regarding an overview of Community Facilities Districts (CFD) and allowable uses of CFD funds**

Presentation by Cherie Wright.

Questions and comments from Board members.

4. **Matters before the Sedona Summit II Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from September 9, 2015.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2016-2017 for the Sedona Summit II Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Item addressed in separate minutes for the Sedona Summit II Community Facility District Governing Board.

5. **Matters before the Fairfield Community Facility District Governing Board:**

- a. **Discussion/possible action regarding approval of minutes from September 9, 2015.**

Motion: Director Williamson moved to approve the minutes dated September 9, 2015. Director Jablow seconded. **Vote:** Motion carried unanimously with six (6) in favor and zero (0) opposed.

- b. **Public Hearing/discussion/possible action regarding adoption of a resolution approving a tentative budget for fiscal year 2016-2017 for the Fairfield Community Facility District and authorizing the publication of a Notice of Public Hearing on said budget.**

Opened the Public Hearing at 3:36 p.m.

No comments were heard.

Closed the public hearing and brought back to the Board at 3:36 p.m.

Motion: Director Williamson moved to approve Resolution No. 2016-1 of the Fairfield Community Facility District approving the Tentative Budget for fiscal year 2016-17 and authorizing publication of the notice of public hearing on budget. Director Jablow seconded. Vote: Motion carried unanimously with six (6) in favor and zero (0) opposed.

6. Adjournment: Chairperson Moriarty adjourned the meeting without objection at 3:37 p.m.

Respectfully submitted,

Susan L. Irvine, District Secretary

RESOLUTION NO. 2016-2

FAIRFIELD COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A FINAL BUDGET FOR FISCAL YEAR 2016-2017 PURSUANT TO A.R.S. § 48-716, AS AMENDED; FOR THE AMOUNT OF ALL EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES ALL OF WHICH SHALL BE PROVIDED FOR FROM THE COLLECTION OF AN ANNUAL SPECIAL TAX; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on May 24, 2000, the Mayor and Council of the City of Sedona, Arizona (the "City"), adopted Resolution No. 2000-20 forming the Fairfield Community Facilities District ("FCFD"), a community facilities district in accordance with A.R.S. § 48-701 et seq., as amended; and

WHEREAS, FCFD is a special purpose district for purposes of Article IX, § 19, Constitution of Arizona, a tax-levying public improvement district for the purposes of Article XIII, § 7, Constitution of Arizona, and a municipal corporation for all purposes of A.R.S. Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, as amended, and [except as otherwise provided in A.R.S. § 48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and

WHEREAS, a primary purpose for creating FCFD was to finance public improvements through assessment of a "Annual Special Tax," which tax was implemented through a development agreement between Sunterra Corporation, the primary property owner within the District and the City of Sedona; and

WHEREAS, in accordance with A.R.S. § 48-716, as amended, the District Treasurer of FCFD has submitted to the District Board of FCFD a tentative budget for Fiscal Year 2016-2017 which includes the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax and

WHEREAS, the District Board of FCFD approved said tentative budget for Fiscal Year 2016-2017, and set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget and

WHEREAS, after said public hearing scheduled for August 9th, the District Board of FCFD expects to adopt a final budget by resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FAIRFIELD COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That certain final budget prepared by the District Treasurer of FCFD for Fiscal Year 2016-2017, attached hereto and expressly made a part hereof as Exhibit "A" is hereby approved.

2. That, the costs of capital improvements to be financed by the Annual Special Tax, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy are set forth in Exhibit "A" attached hereto.

3. That a public hearing date of August 9, 2016, beginning at or after 3:30 p.m. at 106 Roadrunner Drive, Sedona, Arizona 86336 in the Vultee Conference room, was held to consider said final budget (FCFD), and said notice was published in the Sedona Red Rock News no later than ten (10) days prior to said hearing date.

4. That if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of the Fairfield Community Facilities District this 9th day of August, 2016.

Sandra J. Moriarty, Chairperson
Fairfield Community Facilities District

ATTEST:

Susan L. Irvine, District Secretary
Fairfield Community Facilities District

Fairfield Community Facilities District
 Fiscal Year 2016-2017 Budget
 Exhibit "A"

	Special Tax Revenue	Other Misc. Revenue	FY 2016-2017 Collections	Unreserved Fund Balance	2016-2017 Expenditures	Total 2016-2017 Budget
Capital Projects	\$ 120,000	\$ 2,000	\$ 122,000	\$ 1,271,364	\$ -	\$ -
Brewer Road Park					\$ 100,000	\$ 100,000
Barbara Antonsen Amphitheater					\$ 1,164,749	\$ 1,164,749
						\$ -
Totals	\$ 120,000	\$ 2,000	\$ 122,000	\$ 1,271,364	\$ 1,264,749	\$ 1,264,749